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Item 546-D GA 1.13: LCD-80-92

BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Secretary Of Defense

COMPLETED
~~ORIGINAL~~

Consolidating Military Base Support Services Could Save Billions

Base support services--administering civilian personnel, disposing of trash and sewage, maintaining property, etc.--are those activities necessary for the daily functioning of a military base, but not directly contributing to the mission accomplishment of combat units on the base. Because of their high costs, it is important that the military services share resources among themselves, or otherwise obtain services at the least cost.

This report evaluates the programs the Department of Defense is using to reduce base support costs and identifies opportunities for improving them. It also offers alternatives to reach this goal.

LCD-80-92
SEPTEMBER 5, 1980

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

LOGISTICS AND COMMUNICATIONS
DIVISION

B-198788

The Honorable Harold Brown
The Secretary of Defense

Dear Mr. Secretary:

This report analyzes the Department of Defense's programs to reduce base support costs and recommends ways to strengthen the individual programs and to improve coordination among the programs to achieve significant savings. It also presents alternative management structures which will increase attention on this matter and effectively employ scarce resources in a more economical manner.

Although we have issued several reports which identified potential cost savings at specific military bases or geographic areas, we made this review because opportunities for reducing support costs continue.

We discussed our findings with Department officials, but did not receive their official comments in time to incorporate them into the report.

This report contains recommendations to you on pages 22 and 25. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the Chairmen, House and

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B-198788

Senate Committees on Appropriations and on Armed Services; and the Secretaries of the Army, Navy, and Air Force.

Sincerely yours,

R. W. Gutmann
Director

B

U.S. GENERAL ACCOUNTING OFFICE REPORT TO THE SECRETARY OF DEFENSE

CONSOLIDATING MILITARY BASE SUPPORT SERVICES COULD SAVE BILLIONS

D I G E S T

Base support services--payroll and administrative activities, base supply and transportation, maintenance and construction of buildings and roads, trash and sewage disposal, and personnel management--cost the Department of Defense (DOD) about $12 billion or about 10 percent of the total Defense budget in fiscal year 1978.

Numerous GAO and Defense studies have shown that by eliminating duplicate base support services through consolidations large savings can be achieved without impairing mission effectiveness. For example, personnel savings of up to 30 percent are possible. (See p. 9.)

Recognizing the potential for reducing base support costs, DOD established the following programs.

--The Defense Retail Interservicing Support program, a DOD-wide program to promote interservice consolidations among the military services.

--The military services' programs to consolidate support services within each service.

--Commercial and Industrial-Type Activities, a program to contract for support services from private industry under the Office of Management and Budget Circular A-76.

The services, through the three cost reduction programs, have made some progress in meeting their objectives. For example, the interservice program has saved about $44 million over the last 6 years. Although these savings are commendable, GAO and DOD believe that more can be done in view of the high cost of base support.

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The DOD interservice program is the most comprehensive method for reducing support costs. It was established in 1972 with a strong charter, a management feedback system, a data-gathering capability, and representation at the local level.

To further strengthen the program, study groups were established in 1978 for 76 geographical zones containing several installations within a 50-mile radius. The groups were directed to study each category of support services for consolidation. (See p. 7.)

Progress has been constrained because DOD is reluctant to force consolidations on the military services and because military personnel at all levels are reluctant to let someone else provide their base support services. Although DOD has attempted to resolve this problem by implementing new procedures to escalate disputed consolidation proposals to the Department level, the procedures have not been in effect long enough to determine their effectiveness. (See pp. 9 and 16.)

GAO believes, however, that strong top-level leadership is needed to ensure that local interests will not be allowed to frustrate proposed consolidations and to convince the military services that consolidations can improve efficiency. GAO also believes that, to make the cost reduction programs more viable, the following problems need management attention.

--The three programs are managed separately without the benefit of a coordinated attack on unnecessary base support. As a result, the programs sometimes nullify each other. For example, the interservice program does not consider the potential for reducing costs through intraservice consolidations, and contracting-out studies do not consider the potential economics of interservicing or intraservicing. (See pp. 10 and 12.)

--DOD has not set specific cost reduction goals to measure the progress made in reducing overall base support costs. (See p. 12.)

--DOD's interservice program does not have sufficient staff resources. As a result, the study groups which make consolidation studies sometimes lack the functional expertise to do so. (See p. 13.)

--The interservice program's data bank contains a great deal of information but does not provide the visibility needed to ensure that the most productive areas for reducing costs are studied. (See p. 14.)

--The services' intraservice support programs do not systematically assess the potential for consolidation savings and do not maintain data on their successes or failures. Lessons learned from attempted consolidations, therefore, are not shared with other commands or services. (See p. 15.)

To more effectively reduce base support costs, DOD should have visibility over the full range of opportunities. The interservice program, in GAO's opinion, is a logical organizational framework to provide such visibility and to coordinate all cost reduction efforts. Such coordination could help ensure that the best option--whether it is interservicing, intraservicing, or contracting--is chosen in each case.

To improve coordination, a single manager for military base support could be established. A single manager would have visibility over all base operating resources and would alleviate much of the parochialism which has plagued DOD's attempts to reduce support costs. This approach, as well as other alternatives presented in chapter 4, should receive strong consideration.

GAO recommends that the Secretary of Defense strongly endorse a coordinated DOD-wide effort to eliminate unnecessary duplication

Fact Sheet

of base support whenever mission effectiveness will not be impaired.

Specifically, GAO recommends that the Secretary:

--Establish a focal point, preferably the DOD interservice program, to coordinate the three cost reduction programs.

--Set specific yearly cost reduction goals for each military service and require each service to set a goal for its subordinate commands.

--Reduce base support funds for components that consistently fail to reach the above goals.

--Assign additional full-time staffing to the Joint Interservice Resource Study Groups.

--Broaden the scope of the interservice program's data bank as outlined on page 25.

--Direct the military services to (1) clearly state their objectives of reducing costs through intraservice support and (2) maintain cost data on the successes or failures of intraservice consolidations.

--Consider establishing one of the alternative base support management structures discussed in chapter 4.

On May 30, 1980, DOD was given an opportunity to review a draft of this report and to provide its comments within 30 days. However, the comments were not received in time to be included in this report.

ABBREVIATIONS

DLA	Defense Logistics Agency
DOD	Department of Defense
DRIS	Defense Retail Interservice Support
GAO	General Accounting Office

CHAPTER 1

INTRODUCTION

The Department of Defense (DOD) has over 4,000 military installations in the United States. These installations range in size from over 920,000 acres to 1/2-acre plots for landing lights near airfields. In fiscal year 1978, base support services for these facilities cost about $12 billion, or about 10 percent of the total DOD budget.

Base operating support services are provided so that operational units and tenants can pursue mission objectives free from unrelated responsibilities. Support services generally available at military installations are similar to those the local governments, utility companies, and the service industry segment of the civilian economy provide. Such services include

--directly supporting Active and Reserve Forces through activities, such as airfield operations, wharf operations, and base supply and transportation;

--maintaining installation facilities through such activities as building and road construction and repair, police and fire protection, trash and sewage disposal, and utilities operation;

--directly supporting military and civilian operating personnel through activities, such as food services, laundries, clothing issue, payroll and administrative functions, and housing; and

--maintaining the "quality of life" for service personnel and, to some extent, for dependents and retirees through such activities as exchanges, theaters, libraries, religious activities, and sports and entertainment facilities.

Base support services exclude management headquarters, medical support, and overseas dependent education.

Base support activities account for approximately 41 percent of the Active military personnel, 18 percent of the Selected Reserve, and 36 percent of the DOD civilian force, as follows.

	Base support work force	Total strength	Percent
	(millions)		
Military personnel:			
Active	242.3	597.5	41
Reserve	15.2	84.3	18
Civilian	291.9	817.0	36
Total	549.4	1,498.8	37

SCOPE OF REVIEW

We reviewed DOD's and the military services' programs for reducing military base support costs to determine their potential for achieving their objectives. We also interviewed officials at the headquarters and installation levels to discuss constraints to further consolidation of base support services.

We made our review at the Office of the Secretary of Defense, the headquarters of the military services, the Defense Logistics Agency (DLA), and 22 field locations in the Norfolk, Sacramento, and San Antonio areas.

CHAPTER 2

REDUCING BASE SUPPORT COSTS: PROGRESS AND PROBLEMS

In an era when resources to fill pressing military needs are insufficient and costs are increasing, any opportunity to reduce costs without impairing mission effectiveness is crucial. DOD has been concerned about reducing the cost of military base support for years. Many of our reports and DOD and other agency studies have shown that significant savings can be achieved by eliminating unnecessary duplicate support services through consolidations and interservice and intraservice agreements. Studies have shown, for example, that personnel savings of up to 30 percent are possible by eliminating duplicate support services.

In view of the high cost of base support services and the potential for reducing this cost, consolidation opportunities should be pursued vigorously. Any program aimed at reducing support costs should include the following management criteria.

--A clear-cut policy and a strong commitment at all levels to carry out that policy.

--An accountable program manager and a well-defined chain of command to administer the program.

--Accurate and complete data to identify those areas offering the largest savings.

--Short-term and long-term goals to measure progress.

--Sufficient staff resources to carry out and maintain the program at all levels.

--A single focal point to coordinate separate programs which have the same objective.

--A timely feedback system for identifying successes and failures and predicting trends.

DOD and the military services have made progress in reducing support costs by consolidating support services through interservice and intraservice consolidations and by contracting for services from private industry. Because these programs operate without some of the above-mentioned management criteria, we believe the services have not made as much progress as possible. In our opinion, the Defense Retail

Interservice Support (DRIS) program--DOD's most comprehensive method for reducing base support costs--is not working and cannot work because it (1) operates on a voluntary basis at the local level and (2) lacks sufficient high-level emphasis to ensure that proposed consolidations are carried out.

WHAT POTENTIAL EXISTS FOR REDUCING SUPPORT COSTS?

Reducing support costs for bases as large as vast Army maneuver areas and as small as Air Force weather stations is a complex issue requiring flexible response. The various studies made and the experience gained through consolidations have shown that several alternatives exist to effectively consolidate support services, as summarized below.

--Installation-level consolidations, which often cross command lines, involve making the host activity responsible for providing a particular service to other activities or tenants at the installation. Examples include comptroller offices, supply organizations, and consolidated base personnel offices at Air Force bases.

--Regional consolidations can be accomplished on an interservice or intraservice basis. An example of an interservice consolidation is the San Antonio Real Property Maintenance Agency which serves Air Force and Army installations in the region.

--Servicewide or DOD-wide consolidations are the broadest option. Examples of servicewide consolidations include commissary services and medical support. An example of a DOD-wide consolidation is DLA which provides supply support common to all the military services.

Each of these consolidation options can result in reducing administrative, technical, and supervisory overhead; stock levels; number of support personnel; and Government investment in maintenance, equipment, and facilities. It can also improve:

--The use of personnel, as well as the flexibility, to apply skills where and when needed.

--The use of modern labor-saving equipment.

--Economies of scale with bulk purchasing.

Over the years we have projected the savings which could be achieved by consolidating certain base support services. For example, in 1972, 1975, and 1979 we reviewed the status

of interservice support in the Pacific and identified several locations where duplicate services could be consolidated. The duplications and the estimated annual savings through consolidation, as shown below, illustrate the potential for reducing base support costs.

Year	Function	Annual projected savings	Military service action
1972	Duplicate laundry and dry-cleaning facilities at Army and Air Force bases in Japan	$ 750,000	Consolidated
1972	Duplicate Army, Navy, and Air Force general hospitals in a 30-mile area in Japan	2,000,000	Army hospital size reduced
1975	Duplicate Army and Navy general cargo ports in Japan	1,000,000	Under study
1975 and 1979	Duplicate Army and Air Force administrative aircraft support in Japan	630,000	Consolidation refused
	Duplicate housing and household furniture management for each service in Okinawa	1,400,000	Consolidated
	Duplicate real property maintenance for each service in Hawaii and Okinawa	1,600,000	Some consolidation
	Duplicate Army and Air Force industrial gas production plants in Okinawa	200,000	Consolidated
	Duplicate equipment calibration activities for each service in Hawaii and Okinawa	780,000	Under study
	Duplicate procurement offices for each service in Japan, Hawaii, and Okinawa	2,000,000	Some consolidation
	Duplicate civilian personnel offices for each service in Japan, Hawaii, and Okinawa	1,900,000	Some consolidation

DOD agrees that duplication is costly and that vast opportunities exist to reduce support costs. Although DOD has been somewhat responsive to our past recommendations, its responses have been slow, and it has not taken full advantage of consolidation opportunities.

HOW HAVE DOD AND THE SERVICES ATTEMPTED TO REDUCE COSTS?

DOD and the military services have established the following programs to reduce support costs.

--The DRIS program, a DOD-wide program to promote interservice consolidations among the military services.

--The military services' programs to consolidate support services within each service.

--A program to contract for support services from private industry under the Government-wide Office of Management and Budget Circular A-76.

The DRIS program

In 1972 DOD Directive 4000.19 called for "aggressive" use of interservice support at all management and operating levels and directed the Assistant Secretary of Defense (Installations and Logistics) to:

--Monitor and guide the effectiveness and economies of DOD operations by fostering extensive and systematic use of the interservice support concept.

--Resolve interservice support arrangements which cannot be resolved at the military departments, Joint Chiefs of Staff, or Defense agency level.

--Evaluate performance of the DRIS program which was established the same year.

The purpose of the DRIS program is:

> "To provide local Commanders with a means of improving their operations by achieving the greatest overall effectiveness and economy in retail operations by acquiring support services from other Military Services/Defense Agencies through the media of Interservice Support Agreements." (Underscoring supplied.)

The Director of DLA (formerly the Defense Supply Agency) was designated as the program administrator and focal point for aggressively meeting the program's objectives. Additionally, the Director was to (1) develop specific intermediate and long-range plans, (2) conduct studies to determine or develop opportunities for effective interservice support, and (3) furnish analyses of support operations to the DOD components. The Director instructed the DOD components, major commands, and other activities to aggressively promote and use interservice support, to ensure program implementation, to assign program coordinators, and to attempt to resolve disagreements and refusals to provide support.

Through the DRIS program, DOD is obtaining an inventory of major military installations and a list of 101 types of base support services available to local commanders. Each commander indicates what support the installation could use from, or provide to, other installations within a 50-mile radius. In 1978 DOD strengthened the program by establishing Joint Interservice Resource Study Groups for 76 geographical zones containing several installations within a 50-mile radius. The study groups, chaired by officers or civilians in grade 0-6 or GS-15, were directed to develop time schedules for studying each category of support services for its consolidation potential and to submit completed studies to DLA. DLA's duties included (1) informing the study groups of ongoing functional area studies that should be considered in their efforts and (2) distributing selected completed studies to other study groups to minimize resource expenditures.

Thus, the DRIS program was initiated with a strong charter, a management feedback system, a data-gathering capability, and representation at the local level. But as an unfunded program, it must rely on the voluntary participation and support of personnel at Air Force, Army, and Navy installations. In effect, the program asks local commanders to demonstrate that their support activities should be consolidated with those of other commands or installations. However, local commanders often view consolidation as a loss of direct control and a cut in support resources, as discussed on page 16.

Military intraservice support programs

Each of the services has established an intraservice support program also aimed at reducing base support costs. For example, an Army base having its own school bus service can provide support to a nearby Army facility.

Of the three programs aimed at reducing base support costs, the intraservice program is the least formal. Only

the Air Force has a specific policy of using support resources effectively and efficiently through host-tenant consolidations. None of the services are required to report their programs' progress to the headquarters level.

Contracting for support services

Office of Management and Budget Circular A-76 is the basis for another DOD-wide program which is aimed at reducing base support costs. The program focuses on determining whether needed commercial or industrial-type work should be done by contracting with private sources or by using Government facilities and personnel. The circular requires the decision to be based on a cost analysis, as follows:

> "* * * when private performance is feasible and no overriding factors require in-house performance, the American people deserve and expect the most economical performance and, therefore, rigorous comparison of contract costs versus in-house costs should be used, when appropriate, to decide how the work will be done."

According to the circular, the cost analysis should be preceded by internal reviews to ensure that current Government operations are organized and staffed for the most efficient performance. The implementing DOD instruction 1/ states that:

> "Each DOD Component should assure that the in-house activity is organized and staffed for most efficient performance. This includes intraservice support or interservice support programs * * * to the extent practical * * *, DOD Components should precede reviews under this Instruction with internal management studies and reorganizations for accomplishing the work most efficiently."

While DOD monitors this program, the individual services determine what functions should be reviewed and when the studies should be made.

ARE THE PROGRAMS MEETING THEIR OBJECTIVES?

The DRIS program, the services' intraservice support programs, and the program to contract for services in private industry have, to some extent, met their objectives of reducing base support costs.

1/DOD Instruction 4100.33, "Commercial and Industrial Activities, Operation of."

The DRIS program, for example, has saved about $44 million through more than 5,000 interservice support agreements over the last 6 years. The program authorized under Circular A-76 is in progress, but there is uncertainty about how well the program is working and what long-term cost savings will be achieved. The savings from intraservice programs are also difficult to assess because they are not reported systematically. But the concept of consolidation has had great success at the installation level, and individual consolidations have demonstrated that personnel requirements and operating costs can be reduced greatly. For example:

--After the 1977 consolidation of Air Force and Army civilian personnel offices in Okinawa, Air Force officials reported an 18-percent personnel reduction resulting in a $250,000 annual recurring savings.

--An Air Force cost study predicted personnel reductions of about 18 percent by establishing the San Antonio Contracting Center to provide procurement support for four Air Force installations in San Antonio.

--Consolidation of the Air Force Security Service military personnel office with the Kelly Air Force Base personnel office resulted in about a 30-percent personnel reduction.

--Since 1975 DOD has supported efforts to develop a standard civilian payroll system. DOD estimates that savings of $40 million would be possible over the estimated 7-year life of the new system if it is operated on a regional basis for all services.

Although these savings are commendable, we believe--and DOD agrees--that more can be done considering the $11.7 billion spent on base support. In April 1979, after a followup review of consolidations in the Pacific, we reported that the DRIS program had not been and likely would not be fully effective because worthwhile proposed consolidations could be stalled or blocked by local opposition. The DRIS program lacked adequate authority, and consolidation decisions depended too much on the organizations involved, including those which would lose staff.

DOD officials responded that they were implementing new DRIS program procedures which would (1) ensure that consolidation studies were not stalled at the local level and (2) provide for escalating disputed consolidation proposals to the Department level for review and resolution. Because the procedures have been tested in only two cases involving relatively small services--bus driving at an Army base and building

maintenance at a Navy yard--we could not determine their effectiveness.

The new procedures are a step in the right direction. However, we believe the DRIS program, as currently structured, cannot achieve the "greatest overall effectiveness and economy." These objectives cannot be achieved because consolidations still depend on voluntary participation at the local level, where parochial interests often frustrate these efforts. To be workable, in our opinion, the program needs strong, top-level leadership to ensure that proposed consolidations are viewed from a national perspective and that resources are equitably allocated among all services and commands. (See ch. 4.)

We believe that the overall cost reduction effort is unlikely to produce significant long-term savings because each program operates independently of the others, without the benefit of a systematic attack on unnecessary base support. The three programs address separate but complimentary aspects of cost reduction. But instead of taking a coordinated approach to the various aspects, the programs sometimes nullify each other. The DRIS program, for example, does not consider the potential for reducing costs through intraservice consolidations. Also, contracting studies are often made without adequately considering the potential for interservicing or intraservicing.

Some of the other major problem areas, discussed in more detail in chapter 3, follow.

--Although each service supports the intraservice consolidation program, only the Air Force has clearly spelled out its policy. Furthermore, intraservicing has generally been initiated by local commands, rather than as a result of a servicewide program to assess consolidation potential. The service headquarters do not accumulate data, direct actions, or coordinate activities.

--DOD has not set specific cost reduction goals. Without these goals, DOD cannot measure the progress made to reduce overall base support costs.

--The DRIS program does not have sufficient staff resources. The study groups, which make consolidation studies, sometimes lack the functional expertise to do so and must rely on personnel from the organizations being consolidated.

--The DRIS data bank contains a great deal of information, but it does not ensure that DOD studies the most productive areas for reducing costs.

CHAPTER 3

NEED TO IMPROVE CURRENT COST REDUCTION PROGRAMS

In spite of DOD's and the military services' efforts to reduce base support costs, we found that duplication of services was widespread at the 22 military installations in the Norfolk, Sacramento, and San Antonio areas. We did not find evidence that any of the cost reduction programs were resulting in significant consolidations or savings at those locations. A case study on the Sacramento area and its untapped consolidation potential is presented in appendix I.

In view of the large military expenditures for base support services, DOD and the military services should give cost reduction programs higher priority, more visibility, and closer management attention than they are currently receiving. A coordinated DOD-wide effort is needed to eliminate unnecessary duplication of base support services whenever mission effectiveness will not be impaired. Improvements are also needed in the individual programs to make them more viable.

COST REDUCTION PROGRAMS ARE NOT COORDINATED

DOD does not coordinate the DRIS program with the services' intraservice support programs or with the contracting program. The only management-level coordination evident during our review was an agreement that Joint Interservice Resource Study Groups would cancel planned studies if contracting-out studies of the same support functions in the same geographic areas were planned.

A recent study group meeting in the Sacramento area showed that this policy was being followed. The Sacramento Army Depot, the only non-Air Force installation in the area, was studying the feasibility of contracting for several base support services. Air Force officials told us that, because the Army depot would not be considered as either a source or a receiver of support in these functional services, the remaining actions would be exclusively intraservice among Air Force installations, and therefore, no longer a DRIS program matter.

The cancellation of DRIS program studies in favor of contracting-out studies is contrary to Circular A-76 and DOD Directive 4000.19. These documents require that contracting-out studies be preceded by internal reviews to ensure that in-house operations are organized and staffed for the maximum efficiency. (See p. 8.) The failure to make such reviews may result in awarding a contract for support services when,

in fact, a consolidated Government operation may be more cost effective. Furthermore, unless in-house operations have been organized and staffed to achieve maximum efficiency, contracts awarded to replace these operations may perpetuate existing inefficiencies. Contracting for support services, in our opinion, should be considered only after interservicing has been considered and only if this alternative is the most economical option.

The DRIS program also operates separately from the services' intraservice support programs. Because the DRIS program scope is limited to exploring potential interservice consolidations, it does not consider potentially profitable consolidations within each service.

For example, in the San Diego, California, area, we identified 31 functional services which were being performed by both the Navy and Marine Corps. Because shared support between Navy and Marine Corps units or facilities is considered intraservicing and because the DRIS program addresses only interservicing, the chairperson of the San Diego Joint Interservicing Resource Study Group requested and was granted permission to terminate his study group. The DRIS program, therefore, lost the potential savings from consolidating the 31 functional services, although the savings could still be realized if the services sought to do so. However, the intraservice support programs suffer from a lack of aggressive management, as discussed on page 15.

We believe the DRIS program could provide the visibility needed to coordinate the three cost reduction programs. Another approach, as discussed in chapter 4, is to establish a single manager for all base support services.

SPECIFIC GOALS ARE NEEDED

Currently, the DRIS program's goals are expressed in such terms as "aggressive," "extensive," and "systematic" cost reductions. Although these are properly stated objectives expressing DOD's policy, we believe DOD should quantify the specific cost reduction goals it expects the DRIS program and the military services to achieve.

Specific goals should be established at all levels of command to identify the DRIS program's success or failure in reducing costs. As intermediate or long-term goals are met or missed, program managers can adjust their expectations, add and subtract resources, and identify problem areas needing greater attention. Specific goals should also allow each level to measure its own contribution to the overall objective.

Goals can range from strictly voluntary to mandatory. For example, they can be stated in terms of:

--Specific base support services to be studied and specific cost reductions to be achieved within a specified time frame.

--DOD-wide cost reduction goals, such as an annual 5-percent reduction in the cost of base support.

--A DOD-directed budget cut of the funds to be allocated to base support.

THE DRIS PROGRAM STAFFING IS INADEQUATE

The DRIS program is a worldwide, unfunded program with limited staff resources. Currently, DOD employs only 12 full-time persons, including the program manager. Of the 12 people, 7 maintain and update DRIS data at the Defense Logistics Service Center at Battle Creek, Michigan. Obviously, the remaining five people can have little direct impact on the program. The DRIS study groups therefore bear the primary responsibility for making consolidations studies. However, many of the groups have not been very effective.

For example, the groups in the Norfolk, San Antonio, Sacramento, and Stockton areas were organized in early 1979, but had made very little progress as of January 1980. The Sacramento and Stockton groups had not yet developed schedules for studying the potential of interservicing or consolidating the various functional services. Although the Norfolk and San Antonio groups had developed schedules, they had already missed initial target dates. The San Antonio group, for example, was scheduled to begin studying 15 services in January 1980. However, late in that month it told us that it had not begun or was not prepared to begin any studies. The group added that one service would be selected and studied if the necessary resources could be obtained. In addition, we learned that study groups had not planned to study some major support functions, such as data automation, finance and accounting, and civilian personnel, because of their complexity.

The lack of resources is a major reason for the ineffectiveness of some of the study groups. Group chairpersons told us they did not have enough personnel with the functional area expertise to conduct studies and had to ask for assistance from the organization whose services were being studied. This often led to less objective consideration toward reducing a functional service's duplication. One chairperson felt he would have to contract for the studies. In addition, several

chairpersons had delegated their duties to lower level personnel who had little overall understanding of the program's objectives and insufficient experience to direct other study group personnel.

We recognize that personnel shortages are a serious problem for DOD and are likely to continue. However, we believe that a program dealing with almost 10 percent of the entire DOD budget should be a high-priority candidate for more than five full-time administrators. Although we have not attempted to isolate specific locations where additional personnel are needed, we believe the study group level, rather than the administrative headquarters level, is the logical choice. We also believe that DOD and the services can more fully use the existing expertise available to them. DOD's and the military services' Inspectors General and audit agencies, for example, could be used as valuable, independent extensions of the study groups.

DRIS PROGRAM DATA SHOULD PROVIDE MORE VISIBILITY

The DRIS program's inventory of installations and base support services, as discussed on page 7, is a necessary tool for identifying consolidation opportunities. We understand that of the 4,000 U.S. military installations, about 400 installations account for most of the funds devoted to base support. Also, the 101 services included probably encompass the full range of base support functions and provide a common inventory, regardless of the military services' own nomenclature or terminology. (See app. II for a definition of each function.)

However, the current inventory does not ensure that DOD is studying the most productive areas for reducing costs. The inventory

- --is being limited to services, and therefore, does not evaluate the management and administrative overhead of organizations which carry out several services;
- --limits its scope to a 50-mile radius, and thereby, prevents identification of regional or nationwide consolidation opportunities; and
- --does not include quantitative data on equipment costs.

We believe the DRIS inventory should be broadened to include:

- --All major installations both domestic and overseas.

--The base support services each installation provides by functions and organizations.

--The cost and number of personnel involved with each of the support services by installation, as well as an estimate of the major assets devoted to support services.

--Geographical data showing the relative distance between installations.

--Information on the functions or organizations that have already been and are being consolidated, including intraservice consolidations.

With such data, DOD could determine where duplication of base support services is most prevalent and where it should focus its attention. A logical approach would be for DOD to establish a priority system that concentrates on those base support services which cost the most and which have proved to provide the highest payoffs. Our work in the Sacramento, San Antonio, and Norfolk areas showed that real property maintenance, comptroller (finance and accounting), data automation, base supply, contracting, security, and civilian and military personnel are the major high cost services.

For services or organizations already interserviced or consolidated, DOD could make a followup study of their benefits. Then, if warranted, DOD could apply a similar methodology to other installations. As a result, DOD could take advantage of benefits already achieved and reduce the number of studies currently conducted or completed by each DRIS manager. Thus, limited resources could be applied more judiciously.

INTRASERVICE SUPPORT PROGRAMS NEED MORE SYSTEMATIC MANAGEMENT

According to service officials, intraservice support consolidations have generally been initiated by the command responsible for providing the support service. None of the services has a focal point to systematically assess the potential for consolidation savings. The services also do not require subordinate commands to document their intraservice programs or to maintain data to illustrate their programs' successes or failures. As a result, DOD is unaware of achieved savings.

We believe the lessons learned from attempted consolidations should be documented and shared with other commands and services to facilitate future consolidations. DOD officials

recognize the need to have better visibility over intraservice support.

STRONGER DOD COMMITMENT IS NEEDED

The preceding sections of this chapter have discussed some of the organizational problems with support cost reduction programs. Because of the voluntary nature of consolidation programs, their progress has also been impeded by more basic constraints. That is:

--DOD is reluctant to force the programs on the military services.

--Military personnel at all levels are reluctant to let someone else provide their base support services.

According to the DRIS program guidelines, consolidations are voluntary actions between the activity commanders involved and are subject to review and direction from higher headquarters. But over the years, local commanders have tended to consider only how consolidations have affected their commands, rather than all of DOD. Our latest work showed that local officials were strongly opposed to consolidations because they feared that consolidations would adversely affect their abilities to perform their missions because:

--Work priorities would be established by another command.

--Resources might not be equitably allocated.

--In-house capabilities might be eliminated, leaving no backup support.

Many officials who had been affected by previous consolidations also questioned the consolidations' effectiveness. For example, officials at the installations served by the consolidated San Antonio Real Property Maintenance Agency reported considerable dissatisfaction with the services received during the agency's first year of operation. They pointed to delays in getting requested work done, quality control deficiencies, and various other problems. The agency's commander acknowledged that the agency had experienced startup problems, many of which resulted from a backlog of work planning and insufficient material stocks. He pointed out, however, that corrective measures had been and were being taken. His customers generally agreed that service had improved and were hopeful that the remaining problems could be resolved.

Local opposition to consolidations was also based on the belief that consolidated support activities do not significantly reduce costs. We believe that various studies and practical applications have substantiated the economies that can be achieved without impairing mission effectiveness. However, we believe the attitudes of local officials may stem from the fact that, in some cases, DOD has not conducted followup evaluations to validate these economies or has not disseminated the followup results.

Recognizing that local opposition could stall proposed consolidations, DOD recently established procedures for escalating disputes to the Department level, as discussed on page 9. However, we believe DOD should strongly commit itself to ensure that proposed consolidations are viewed from a national--not a local--perspective. Such a commitment must be clearly conveyed to all command levels as renewed emphasis on reducing the base support costs. This commitment must be supported by specific directives which grant the implementing agency the authority to (1) cut across service lines, (2) expect results, (3) deal with obstacles to consolidation at the local level, and (4) quickly escalate unresolved problems to higher headquarters.

CHAPTER 4

ALTERNATIVES AVAILABLE FOR FUTURE PLANNING

We believe that alternative management structures can greatly assist DOD in reducing base support costs and should be carefully evaluated. These alternatives include

--host-tenant support for geographic areas,

--a single manager for base support, and

--regional organization.

HOST-TENANT SUPPORT

Host-tenant support arrangements are well-tried means for providing support services while reducing costs. Each of the services provides this support to some extent. Briefly stated, a specific command or installation is designated the host. Other on-base or nearby units, the tenants, conclude formal agreements with the host to receive all or most of their support functions. This way, only the additional administrative overhead needs to be added to the host's existing structure, rather than allowing each tenant to establish its own complete support staff.

The advantages of host-tenant arrangements covering a large geographical area and including all the services within the area include

--a single focal point with detailed overview of the support functions and resources within the area,

--a detailed analysis of administrative and functional requirements at each of the tenant installations, and

--a streamlined support structure which reflects the best in-house structure for comparison with commercial contracting costs.

SINGLE MANAGER

A single manager with necessary authority and staffing can effectively manage DOD base support services. With the strong leadership necessary for such a position, a single manager can implement a master plan for support sizing and workloading. Such a manager will determine

--the resources essential to accomplish the support requirements the military services establish,

--how much work should be done in-house and how much should be done by commercial contractors, and

--the administrative overhead necessary to maintain the work force.

DOD has a history of selectively applying the single manager concept to solve efficiency problems and to eliminate duplication of effort. Two of the major areas operating under this mode involve supply and conventional ammunition.

Conventional ammunition

In December 1973 we issued a report to the Congress on DOD's management of conventional ammunition. This report discussed the fragmentation of conventional ammunition management and its effects. For example:

--Each service determined its own ammunition requirement. The services could readily identify their own excess inventory stocks; however, they could not always identify the other services' available assets unless the owning service had reported them as excess. Thus, sometimes one service requested and received funds for ammunition items, while another had sufficient stocks to satisfy part or all of these needs.

--The services, in some cases, relied on the same commercial contractor for ammunition components. The contractor did not always have unlimited capacity to satisfy the service demands.

In November 1975 the Secretary of Defense designated the Army as the single manager of conventional ammunition for DOD, effective October 1, 1977. As a single manager, the Army is responsible for procuring, producing, maintaining, renovating, and storing conventional ammunition.

Supply

During World War II a need surfaced for coordinated procurement of supplies by the armed services so they would not compete among themselves. After the war, DOD, in an effort to improve efficiency and economy in the supply mission, established centralized purchasing of medical supplies and petroleum products for the services.

In the mid-1950s, DOD added food and clothing to the included commodities and assigned the commodities to individual services which were to be single managers. As a single manager, the service was responsible for determining, procuring, funding, cataloging, and standardizing needs; controlling inventory; and maintaining and disposing of its surplus. By 1961 the single managers were able to reduce the inventories of the involved commodities by 30 percent, or about $800 million.

On October 1, 1961, DOD established the Defense Supply Agency to oversee and direct the single managers' activities. Since then, this responsibility has been expanded to include troubleshooting military logistical support problems. On January 1, 1977, the Defense Supply Agency's name was changed to the Defense Logistics Agency.

Single manager for selected functions

A variation of the single manager concept would be for DOD to single manage high-cost support services. As we noted in chapter 3, the present DRIS inventory does not identify the dollar cost of each support service, either by service, base, or total.

During our review, however, most officials identified such services as civil engineering, contracting personnel, and finance and accounting as services which used relatively high numbers of people, and therefore, were high-cost functions.

REGIONAL ORGANIZATIONS

Still another management alternative is regional organization. Regional organizations allow expanded areas beyond those provided by host-tenant arrangements, but less than the completely centralized single manager system. The advantages, however, are similar.

--Greater use of resources.

--Heightened DOD overview.

--Reduced overhead support.

Two examples of current regional management are the Navy's regional medical centers and the Pay/Personnel Administration Support System.

Regional medical centers

The continental United States is divided into 18 Navy medical regions. Each region contains a major medical facility with a full array of sophisticated medical equipment and a large staff of medical specialists. At other Navy installations throughout the region, personnel at less sophisticated and well-staffed dispensaries attend to the usual medical needs of sailors and their families. These people report to their regional medical centers, and the personnel at regional centers report directly to the Surgeon General.

When medical problems arise which the local dispensary cannot handle, the patient is taken to the regional center or is treated by a doctor from the regional center during regularly scheduled visits to the dispensary.

Each regional medical center also provides the local dispensary with other services, such as centralized accounting, supplies procurement, and laundry service.

The Pay/Personnel Administration Support System

The Navy is currently reorganizing its 4,000 personnel and disbursing offices into about 156 combined pay, personnel, and travel offices in 26 worldwide regions. Like the regional medical centers, each support activity at a major installation will support several small, less sophisticated support detachments within its region. The advantages the Navy expects to realize from this reorganization are

--more centralized control,

--reduced procuring time, and

--better use of limited personnel resources.

Once the entire system is computerized, the Navy expects the support detachments to maintain detailed pay records, personnel files, and travel data for the sailors at their locations. Support detachments will then provide necessary information to the regional personnel support activity, which in turn will verify and organize the information and provide it to the Navy Finance Center in Cleveland, Ohio, and the Naval Military Personnel Command in Washington, D.C.

CONCLUSIONS

The establishment of a single manager for all military base support is, in our opinion, the best approach to

providing necessary services at the lowest cost. A strong single manager could have visibility over all base support resources and could alleviate much of the parochialism that has plagued DOD's attempts to reduce support costs.

Regional base support management is also a good option. But to be effective, each regional center must be directed by the region's top military official in a strong leadership capacity. Only through such leadership, in our opinion, can sufficient trust be instilled in local officials to overcome their fears that consolidations will result in inequitable allocations of resources, losses of in-house backup support, or delays in getting their work done.

A single manager, regionalized management, and host-tenant support for geographical areas are all viable alternatives for improving the management of base support services and reducing costs. Each alternative offers

--efficient use of scarce resources,

--reduced administrative overhead,

--shared equipment and facilities,

--increased visibility over base support resources, and

--equally shared expertise.

RECOMMENDATION

We recommend that the Secretary of Defense, to more effectively reduce support costs, consider establishing one of the alternative base support management structures discussed above.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Recognizing that duplication of base support services is costly and that such duplication can be reduced without necessarily impairing mission effectiveness, DOD and the military services have established programs to consolidate support services and to contract for services from commercial sources. These programs have successfully reduced costs in many cases, but we believe--and DOD officials agree--that more can be done. A more coordinated, systematic approach is needed to realize the full potential of cost reduction.

The DRIS program is DOD's most comprehensive method for reducing base support costs. By consolidating duplicate support services, which the Joint Interservice Resource Study Groups identify, DOD believes it can achieve significant savings. Although DOD has clearly identified the actions necessary at all levels to reduce base support costs and has incorporated some basic management tools in its DRIS program, it has not authorized any level to enforce the program's objectives. DOD officials have cited inability to force cost reduction programs upon the military services, even though they recognize that military personnel at all levels are reluctant to accept such programs. Their reluctance, based on objections which are sometimes valid from a local viewpoint and sometimes parochial, therefore has been permitted to frustrate attempts at consolidations.

We believe that, if DOD wants a more workable program, it must clearly state that parochial interests will not be allowed to frustrate proposed consolidations. A stronger DOD commitment to the cost reduction program is needed to convince the military services that the program is worthwhile and to motivate them to act. Numerous studies by DOD, the military services, and us have demonstrated that consolidations can improve efficiency without degrading effectiveness, and such studies should receive renewed emphasis.

We believe additional management actions are needed to improve the DRIS program's effectiveness. Currently, the program's actual effectiveness cannot be determined because specific dollar goals have not been set. Such goals are needed for service and command levels to measure the progress made in reducing costs, to isolate problem areas, and to adjust future expectations as necessary.

The data available to DRIS program managers should be improved to provide more visibility over base support resources and costs. Because major savings from support consolidations are often achieved through personnel reductions, DOD needs such information as the number and cost of personnel providing functional support by base and the relative distances between bases. With quantitative data, DOD would be in a better position to establish a priority system that concentrates on the most productive areas for reducing costs.

Such a priority system, however, will be of little use without the necessary personnel to make consolidation studies according to the priorities set. Although the Joint Interservice Resource Study groups were established for this purpose, they have suffered from insufficient functional area expertise. In addition, some study group chairpersons have delegated too large a share of their workloads to lower level personnel. We believe that, to carry out their responsibilities, the study groups should be assigned additional full-time personnel. The groups could be further assisted by drawing on the existing expertise available in DOD, such as the Inspectors General and audit agencies.

Also, the military services' programs to consolidate support services on an intraservice basis could be improved. The savings from such programs are seldom identifiable at the senior management levels because objectives have not been set and the results of support agreements have not been documented. A more systematic means of assessing the potential for intraservice consolidations and following up on their savings is needed.

The contracting-out program is a valuable tool for determining whether the Government or the private sector is the more economical source of base support. Potential savings have been lost, however, because the most efficient in-house method of providing base support has not always been established. This situation has resulted from another basic flaw in the cost reduction programs--a lack of coordination.

Overall, there is no DOD focus on reducing costs because the three major programs are managed separately and without a coordinated, systematic attack on unnecessary base support. To effectively reduce the cost of base support services, DOD should have visibility over the full range of opportunities.

The DRIS program, in our opinion, is a logical organizational framework to provide such visibility and to coordinate cost reduction efforts on DOD's behalf. Such coordination can ensure that the best option--whether it is interservicing, intraservicing, or contracting out--is chosen in each case.

If the DRIS program becomes an "umbrella" for the other programs, we do not believe that it need become an entirely new structure with greatly increased staffing. Additional staff support and expertise are already available within the programs themselves. To improve coordination, one of the alternative management structures discussed in chapter 4 could be established.

RECOMMENDATIONS

We recommend that the Secretary of Defense strongly endorse a coordinated DOD-wide effort to eliminate unnecessary duplication of base support services whenever mission effectiveness will not be impaired. Specifically, we recommend that the Secretary of Defense:

--Establish a focal point, preferably the DRIS program, to coordinate the interservicing, intraservicing, and contracting out of base support. The focal point should guide and monitor DOD-wide efforts.

--Set specific yearly cost reduction goals for each military service and require each service to set a goal for its subordinate commands.

--Reduce base support funds for components that consistently fail to reach the above-mentioned goals.

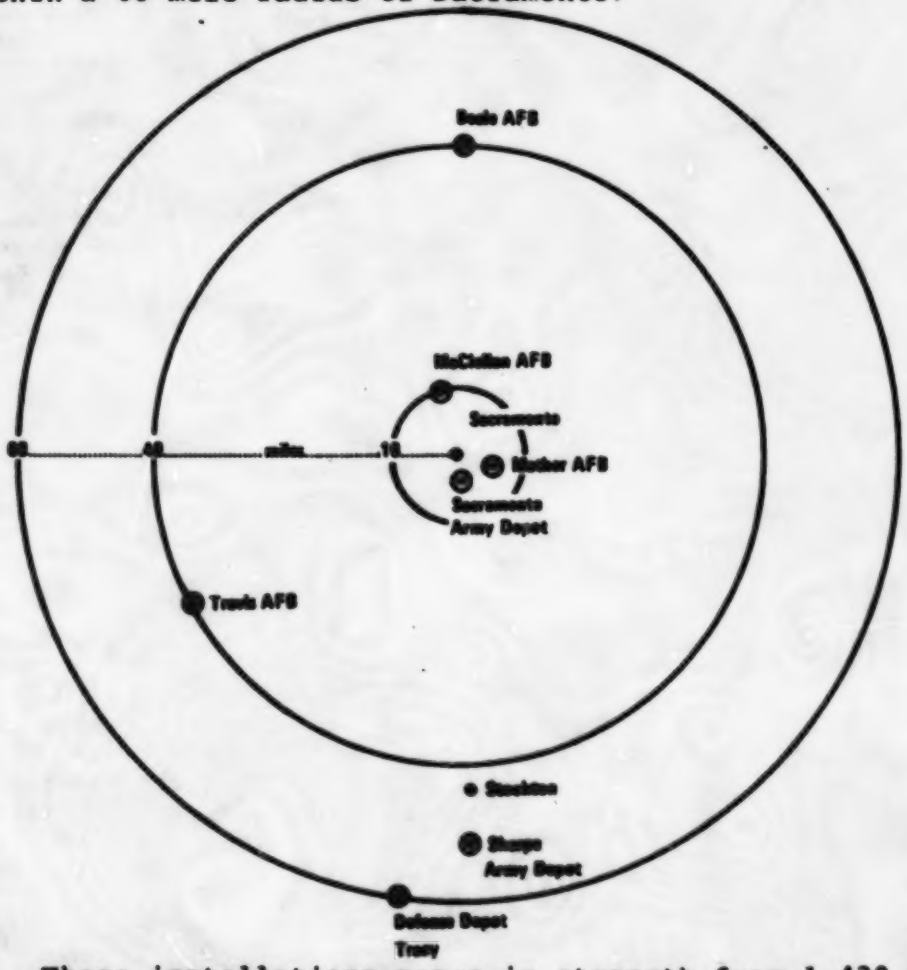
--Assign additional full-time staffing to the Joint Interservice Resource Study Groups.

--Broaden the scope of the DRIS program's data base to include (1) an inventory of the base support services each installation provides by functions and organizations, (2) data on the cost and number of personnel at the supervisory, administrative, and worker levels involved with each of the support services by installation, and (3) geographical data showing the relative distances between installations.

--Direct the military services to (1) clearly state their objectives of reducing costs through interservice support and (2) maintain cost data on the success or failure of intraservice consolidations.

A CASE STUDY OF CONSOLIDATION POTENTIAL IN THE SACRAMENTO AREA

As illustrated below, seven military installations are within a 60-mile radius of Sacramento.



These installations range in strength from 1,430 to 16,750 personnel, and they generally have a full array of base support services. As discussed earlier, installations and commands, as well as the military services, tend to account for base operating support differently. Also, at many installations, base support and mission support activities, such as supply, are integrated, thereby making analysis difficult. The following schedule depicts the total population, number of personnel involved in base operating support, and the personnel allocated to eight major types of support activities.

	Beale Air Force Base	Travis Air Force Base	Mather Air Force Base	McClellan Air Force Base	Sacramento Army Depot	Sharpe Army Depot	Defense Depot Tracy	Total
Total population	4,750	12,500	6,850	17,000	2,700	1,450	1,675	46,925
Total base support	1,690	2,170	1,450	2,950	560	400	460	9,680
Major Support Activities:								
Civil engineering (note a)	514	561	458	835	79	100	82	2,629
Base contracting	36	45	35	94	37	15	19	281
Personnel	85	167	95	194	34	26	23	624
Vehicles operations and maintenance	120	188	102	119	76	61	65	731
Comptroller	82	131	81	259	98	65	47	763
Data automation	24	30	25	449	111	a/36	50	725
Base supply	310	468	231	457	51	36	38	1,591
Security	189	262	58	120	42	38	38	747
Total	1,360	1,852	1,085	2,527	528	377	362	8,091

a/Consolidated with Sacramento Army Depot.

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Each installation has a similar complement of support functions, even those located the closest to each other. For example, Mather Air Force Base, McClellan Air Force Base, and Sacramento Army Depot are located within a 10-mile radius and they account for 1,085, 2,527, and 528 support service personnel or 4,149 out of the total 8,100 for the 60-mile radius we evaluated.

In such cases as fire protection, which are usually part of civil engineering, it appeared logical that each installation should have its own complement. Yet, in a small geographical area, it does not seem logical that each installation should have its own management overhead staff--namely, why fire management could not be controlled from one installation with fire units still located, as they are now, at each individual installation.

As the schedule indicates, a great deal of personnel is tied up in civil engineering and each installation has its own civil engineering capability. Civil engineering as it is called in the Air Force provides the same services as "Public Works" in the Navy and "Facilities Engineers" in the Army.

A typical Air Force civil engineering activity includes a chief and deputy chief engineer, administrative staff; financial management, industrial engineering, family housing management, and engineering and environmental planning sections; fire protection; and operations. Operations usually include such activities as resources and requirements, pavements and grounds, structures, mechanical, electrical, electric power production, and sanitation. Even with the large array of services provided, most major work is contracted out.

Each of the major sections in a civil engineering activity will have some management and administrative overhead. It is this overhead that lends itself to consolidation and personnel savings. Where duplicate services are provided and personnel and facilities are not fully used, savings through consolidation are also available through economies of scale. Day-to-day "hands on" operational-type personnel may not be as easily consolidated and, in many cases, should not be.

Other opportunities appeared readily available in those cases where consolidation of a service had already been achieved in an area, with demonstrable savings, and yet not applied to similar services in other areas. For example,

our 1979 report 1/ stated that the Army and Air Force, at our urging, had consolidated civilian personnel in Okinawa. If this could be done between two services, we believe that consolidating civilian personnel between closely geographically located installations of the same service (Air Force) would be possible if not easier. At one location, we were told that the respective personnel offices had too many differences to make such a move possible. We do not know if this is so, but we do know that the motivator for reduction in civilian support personnel in Okinawa was an overall reduction in military commitment. This reduction apparently forced local commanders to consolidate if they wished to still provide the service. We did not notice the same type of incentive at the installations we visited during this review.

The Sacramento area also has two installations located about 15 miles apart in an agricultural area. One, the Sharpe Army Depot, is used primarily for the receipt, storage, and issue of inventory; the other, a DLA depot, has a similar function. Each facility had its own complement of base support services. It seems to us that this type of situation offers good potential for consolidation of such functions as real property maintenance, vehicle maintenance, contracting, and security.

1/ "Progress and Problems in Consolidating Military Support Functions in the Pacific," LCD-78-223, Apr. 12, 1979.

DoD 4000.19-M

DEFINITIONS OF ADMINISTRATIVE AND LOGISTICAL CATEGORIES OF SUPPORT SERVICES (note a)

(NOTE: The following definitions of support categories are not intended to be all inclusive, but are provided as a general description of the support category involved. Actual support to be provided will depend upon the capabilities of the supplier and the requirements of the receiver and will be subject to negotiation on a case-by-case basis. These are the only category codes authorized for use in the DRIS program.)

CATEGORY CODE

AA - Computer & Data Processing: Provision of automated data processing services, including determination of the feasibility and methods of automation for approved data automation requirements by the supplier component senior ADP policy official or his designated representative, which may include systems analysis, systems design, development and maintenance of computer programs, and operation and maintenance of automated data processing systems in accordance with the supplier component's ADP management directives.

AB - Finance & Accounting: Accounting and finance operations including fiscal accounting, expense accounting, cost accounting, working capital funds accounting, payroll and leave accounting, voucher examination, disbursing, financial reporting, and the development of systems and procedures to accomplish these functions.

AC - Civilian Personnel Services: Provide services which include employment, placement, classification, employee/management services, labor management relations, personnel management and evaluation, personnel records maintenance (including automated systems), employee services, equal employment opportunity, grievances and appeals processing, career management programs (including employee development and training), and incentive programs. Includes services for local national employees.

AD - Legal: Provision of advice and services on all legal matters pertaining to legal assistance, military justice, initial claims processing, property utilization, award and execution of procurement contracts, personnel matters, including conflict of interest, standards of conduct, grievance hearings and reviews, etc.

AE - Mail Pickup and Delivery: Acceptance, sorting, routing and delivery of incoming and outgoing official and personal mail when not otherwise provided by the United States Postal Service. The term acceptance includes financial services for personal mail if available.

AF - Custodial: Provides janitorial services other than cleanup

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a/Defense Retail Interservice Support Manual, Sept. 1978.

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of work areas in shops and warehouses. May include cost of all common janitorial supplies and equipment. The provision of cleaning services for administrative office space and common service areas of buildings.

AG - Purchasing/Contracting: Provides for the procurement of property and/or services for a price. May also include the termination actions in the disposition of operating supplies and equipment for another department(s) or contractual source. Includes central and local procurement of supplies and/or services, procurement planning and purchasing operations.

AH - Fire Protection: Operation of a fire prevention and protection program for an installation, to include the actual fire fighting equipment.

AI - Police Services: Provides protection for installations and resources, maintain law and order (to include enforcement of traffic laws, accident investigation and criminal investigations). Ensure protective standards for weapons, funds, and high value resources are applied and maintained. Provide confinement/detention facilities and services where/as appropriate.

AJ - Housing/Lodging: Provide family housing support and housing referral services to authorized personnel and BOQ/BEQ accomodations for unmarried/unaccompanied personnel.

AK - Laundry/Dry Cleaning: Provide for commercial industrial type laundry and/or drycleaning service.

AL - Health Services: Administration of an activity-wide health program. Includes but is not limited to the furnishing of inpatient and outpatient treatment, medical, dental, nursing, veterinary, and other professional services, supplies and equipment and other medical support.

AM - Food Service: The providing, preparing and serving of food to authorized personnel. The furnishing of such service to include inflight box meals and meals to be consumed elsewhere.

AN - Storage/Warehousing: Provision of space and/or services related to the management of technical or nontechnical commodities, material and equipment. Includes all operations from receipt of material into storage, care of material in storage, to issue and shipment of material from storage.

AO - Transportation: Provision of transportation and traffic management services related to commercial or Government-owned transportation of personnel and/or material, including shipment planning of cargo, port clearance, scheduling movement of both personnel and personal property, processing of transportation documents, and provision of other transportation services related to inbound and outbound movements.

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AP - Utilities: Provides for the procurement, production and distribution of utilities services, including water systems, sewage systems, electric systems, boiler plants, heating systems, cold storage plants, air conditioning plants and other purchased utility services.

AQ - Mortuary Services: Provides for the performance of all logistic functions incident to the recovery, identification, care, and disposition of deceased personnel.

AR - Stevedoring: The provision of services for loading and unloading water-borne vessels.

AS - Calibration of Precision Instruments: Providing the inspection, maintenance, repair and calibration and certification of precision instruments, Precision Measurement Equipment (PME) and Test Measurement and Diagnostic Equipment (TMDE) to ensure performance at established standards.

AT - Terminal Operations: Provides for the loading and unloading of aircraft, ships and/or land transportation conveyances, to include port packing, container stuffing and unstuffing, and all other services normally involved in moving cargo through terminals. Provide intransit processing to include documentation of cargo and passengers.

AU - Administrative Office Space: The space assigned to a particular office or organization for office administrative or operational purposes. Excluded are areas assigned for storage and warehousing purposes (covered under support category code AN) and those costs related to utilities, custodial, special equipment, etc., included in other support categories.

AV - Education Services: Provides for assistance rendered to personnel in selecting, planning, preparing and coordinating programs, courses, curriculum and instructions which are or will be directly related to the performance of official duties. Provide academic and technical/occupational educational opportunities to all military personnel assigned to or supported by the installation. Provide orientation and guidance to the tenant's Education Services Officer/NCO. May include educational services to adult dependents of military and DoD civilian personnel serving at duty stations outside the Continental United States.

AW - Real Property Maintenance: Provide the maintenance, repair, and minor construction/alteration of real property, including, as appropriate, buildings, installed equipment, miscellaneous structures, roads and grounds, railroads, surfaced areas and other real property.

AX - Disposal Services: The process whereby excess/surplus property or refuse is collected and disposed of by such methods as destruction, operation of incinerators or trash and waste

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material recycling programs. Excludes Defense Property Disposal Services.

AY - Administrative Services: Provide noncombat support to other organizations in the areas of: administrative orders, records management, personnel locator, classified document control and handling, forms and publications, duplicating and copying service, (including contract), Armed Forces Courier Service (ARFCOS) support for incoming/outgoing containers, operation of Administrative Communications Distribution Center, operation of the official mail distribution system, and maintenance of a Publications Reference Library.

AZ - Information Office Services Activities aimed toward responding directly or through news media to the general public's right and need to know how the DoD departments and agencies accomplish assigned tasks and missions; includes public information, community relations, internal (troop) information and security review activities. This includes Armed Forces Radio and Television Service.

BA - Chaplain/Religious Services: Provide comprehensive pastoral ministry, to include opportunities for worship, religious rites, pastoral visits, spiritual counselling, and religious education.

BB - Safety: Administration of an activity wide safety program. Includes identification of special personal protective equipment needed by the receiver, and cost of safety educational and promotional materiels generated by the supplier.

BC - Communication Services: Provision of common-user communications. Includes installation, operation and maintenance of telephones, teletypewriters, digital terminals, radio nets and systems, television and other such telecommunications equipment and systems. Also included are the leasing of equipment and lines, purchase of authorized communications equipment and administrative costs related directly thereto.

BD - Community Services: Provide community facilities and services to include theaters, exchanges, sports, officer/NCO/enlisted clubs, libraries, youth activities, arts and crafts centers, aero & audio clubs, commissary, dependent schools, etc., for authorized personnel.

BE - Logistic Air Support: Provides support by air landing or air drop including air supply, movement of personnel, evacuation of casualties and prisoners of war, and recovery of designated resources.

BF - Military Personnel Services: Provide services which include

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but are not limited to personal affairs, testing of individuals, social security, processing of identification cards, passports, Status of Forces stamps, line of duty investigation reports and casualty assistance reporting.

BG - Social Actions: Provide assistance and training to personnel on matters such as alcohol and drug abuse, equal opportunity and treatment, and human relations.

BH - Search & Rescue: The use of aircraft, surface craft, submarines, specialized rescue teams and equipment to search for and rescue personnel in distress on land or at sea.

BI - Test and Evaluation: The process of testing items of material, systems or techniques under simulated or actual operational conditions to determine whether the specific military requirements or characteristics are satisfied. Testing may be conducted utilizing laboratories, test ranges or such other facilities as may be available. Includes the use of test facilities.

BJ - Weather Service: Provides for the collection, collation, evaluation and dissemination of aerospace environmental data in such a manner that it becomes a principal source of such information for a given area.

BK - Aerial Photography: The provision of photographs taken from the air.

BL - Geodetic Support: Support related to such data as: aeronautical charts, maps, flight information publications, and associated air navigation materials used in planning and conduct of air and ground operations.

BM - Entomology Services: Abatement and control measures directed against insects, rodents, weed, fungi, and other animals or plants that are determined to be undesirables, including but not limited to, routine treatment of grounds, buildings, equipment, supplies, aircraft, and other common carriers as necessary.

BN - Ice and Snow Removal: Provide for ice alleviation; remove and dispose of snow.

BO - Environmental Quality Control: Provide the administration of activity-wide programs for the control of air, water, noise, hazardous material and other forms of pollution, including resource recovery and energy conservation programs.

BP - Airfield Operations: Manage airfield facilities. Provide service for preflight planning and flight plan processing. Develop procedures for air and ground control of all aircraft traffic operating within the airport traffic area.

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BQ - Micrographic Services: Document miniaturization by microfilming, producing microform formats on which images of information of any sort has been recorded. Includes roll film, microfiche, microfiche jackets, aperture cards, etc. Computer Output Microfilm (COM), a high-speed method of converting digital data to microform, is also included.

BR - Training: Provision of training to personnel in planned, prepared and coordinated programs, courses, curriculums, and instructions which are or will be directly related to the performance of official duties. Includes use of ranges (i.e., rifle ranges, degaussing/ deperming ranges/target ranges, etc).

BS - Subsistence: The provisioning of basic food supplies to support feeding activities.

BT - Real Property Rentals: Provides for rentals, leases and easement for real property not otherwise identifiable. Includes rental equivalents for DoD space and reimbursements for special services not a part of the standard level user charge, payable to the General Services Administration (GSA).

BU - Expendable and General Supplies: Provision of any common, generally expendable, nontechnical commodity, material or equipment such as administrative office and house-keeping supplies, Xerox paper, common electrical, hardware and plumbing supplies, building materials, paint, tools, etc.

BV - Printing & Reproduction: Provides for the operation of centralized printing and duplicating facilities. Includes cost of supplies used.

BW - Disaster Preparedness: Provides for the full disaster preparedness and response for support including training and equipage. Furthermore, provide or program for emergency wartime operation, to include shelter spaces, shelter supplies and radiation and chemical monitoring equipment.

BX - Specialized Information/Services Acquisition: Provision of information, products and services of a specialized nature, other than base support, not identified in other categories. Includes technical library and reference services, interpreting/translating, cataloging, research, development, test, evaluation and studies pertaining to a field of knowledge or areas of analysis and interest. Examples of deliverables are books, catalogues, directives, documents, films, instructions, microfilms, periodicals, publications, reports and tapes.

BY - Occupational/Industrial Health Services: Provides for conduct of a worker and work place specific health screening program, and industrial hygiene surveillance of the occupational environment.